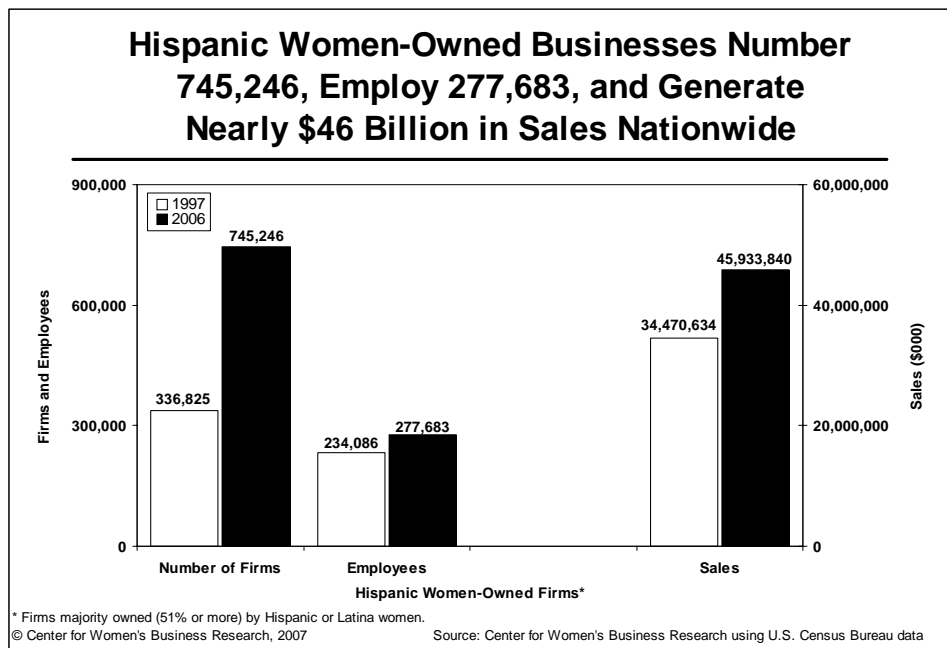




BUSINESSES OWNED BY HISPANIC AND LATINA WOMEN IN THE UNITED STATES, 2006: A Fact Sheet

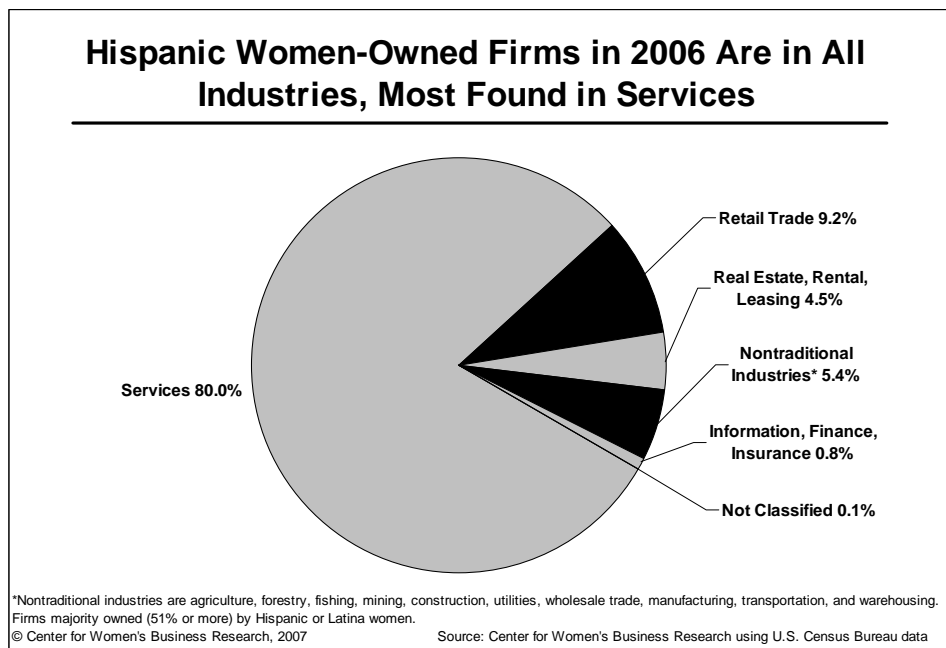
In this fact sheet, the Center for Women's Business Research presents the most up-to-date information currently available on privately-held¹ businesses owned by Hispanic/Latina women in the United States. Analyzing data provided by the U.S. Census Bureau, the Center projects the following statistical portrait of privately-held businesses owned by Hispanic/Latina women in 2006.

- As of 2006 there are an estimated 856,782 firms 50% or more owned by Hispanic/Latina women in the U.S., employing 418,518 people and generating nearly \$67 billion in sales.
- There are an estimated 745,246 firms majority owned (51% or more) by Hispanic/Latina women in the U.S., employing 277,683 people and generating nearly \$46 billion in sales.
- Between 1997 and 2006, the number of firms majority owned (51% or more) by Hispanic/Latina women increased by 121.3 percent; the number of employees increased 18.6 percent; and sales increased 33.3 percent.



¹ Privately-held firms include firms with and without paid employees. These exclude publicly-held, foreign-owned and nonprofit businesses.

- More than a third (35.7%) of firms majority owned (51% or more) by women of color are majority owned by Hispanic/Latina women. Firms majority owned by Hispanic/Latina women now represent 9.7 percent of all majority women-owned firms in the U.S.
- More than a third (36.9%) of all Hispanic/Latino majority-owned firms are majority-owned by women. Hispanic/Latina majority women-owned firms employ 16.2 percent of the workers in Hispanic/Latino majority-owned firms and generate 17.0 percent of the sales.
- Eighty percent (80.0%) of Hispanic/Latina majority women-owned (51% or more) firms are in the service sector; 9.2 percent are in retail trade; and 4.5 percent are in real estate, rental, and leasing.
- The greatest growth by industry in the number of Hispanic/Latina majority women-owned (51% or more) firms from 1997 to 2006 was in services (286.2% growth). There was also substantial growth in real estate, rental, and leasing (186.4%); and wholesale trade (115.0%).



Firms Majority Owned by Hispanic/Latina Women in the U.S., 2006

	Hispanic/Latino-Owned Firms		Hispanic/Latina Women-Owned Firms	
	Women-Owned Firms	Men-Owned Firms	% Change 1997–2006	% Share of All Hispanic/Latino Owned Firms
Total U.S.				
Number of Firms	745,246	1,202,331	121.3	36.9
Employment	277,683	1,285,947	18.6	16.2
Sales (\$000)	45,933,840	212,272,420	33.3	17.0

Ownership refers to majority (51% or more) ownership.

Source: Center for Women's Business Research using U.S. Census Bureau data.

Firms Majority Owned by Hispanic/Latina Women by Industry: 1997–2006			
	1997	2006	% Change 1997–2006
Total U.S.			
Number of Firms	336,825	745,246	121.3
Employment	234,086	277,683	18.6
Sales (\$000)	34,470,634	45,933,840	33.3
Industry			
Agriculture, Forestry, Fishing			
Number of Firms	2,992	-	-
Employment	2,800	29,259	945.0
Sales (\$000)	242,388	235,359	-2.9
Mining			
Number of Firms	270	507	87.7
Employment	217	500	130.5
Sales (\$000)	40,767	66,323	62.7
Utilities			
Number of Firms	1,923	-	-
Employment	1,775	-	-
Sales (\$000)	236,217	-	-
Construction			
Number of Firms	16,359	13,958	-14.7
Employment	23,469	20,933	-10.8
Sales (\$000)	2,983,334	3,365,527	12.8
Manufacturing			
Number of Firms	16,508	1,746	-89.4
Employment	30,369	9,015	-70.3
Sales (\$000)	3,858,384	2,796,938	-27.5
Wholesale Trade			
Number of Firms	5,045	10,845	115.0
Employment	8,042	21,153	163.0
Sales (\$000)	4,069,488	5,833,869	43.4
Retail Trade			
Number of Firms	43,968	68,538	55.9
Employment	40,262	7,824	-80.6
Sales (\$000)	6,028,803	6,386,244	5.9
Transportation and Warehousing			
Number of Firms	10,899	13,142	20.6
Employment	8,204	5,139	-37.4
Sales (\$000)	1,056,181	897,252	-15.0

Firms Majority Owned by Hispanic/Latina Women by Industry: 1997–2006 (cont.)			
	1997	2006	% Change 1997–2006
Information			
Number of Firms	12,563	-	-
Employment	7,656	-	-
Sales (\$000)	935,208	-	-
Finance and Insurance			
Number of Firms	14,345	6,326	-55.9
Employment	7,570	1,650	-78.2
Sales (\$000)	1,597,437	830,709	-48.0
Real Estate, Rental, Leasing			
Number of Firms	11,670	33,425	186.4
Employment	6,431	3,413	-46.9
Sales (\$000)	891,889	2,400,280	169.1
Professional, Scientific, Technical Services			
Number of Firms	29,300	56,693	93.5
Employment	16,515	22,927	38.8
Sales (\$000)	1,997,643	4,919,658	146.3
Management of Companies and Enterprises			
Number of Firms	325	-	-
Employment	167	180	8.0
Sales (\$000)	36,599	24,714	-32.5
Administrative, Support, Waste Mgmt, Remediation Services			
Number of Firms	22,312	143,413	542.8
Employment	13,280	-	-
Sales (\$000)	1,607,930	5,402,593	236.0
Educational Services			
Number of Firms	11,489	8,564	-25.5
Employment	6,339	2,529	-60.1
Sales (\$000)	762,982	-	-
Health Care and Social Assistance Services			
Number of Firms	23,575	206,048	774.0
Employment	13,058	69,389	431.4
Sales (\$000)	1,573,355	6,010,741	282.0

Firms Majority Owned by Hispanic/Latina Women by Industry: 1997–2006 (cont.)			
	1997	2006	% Change 1997–2006
Arts, Entertainment, Recreation Services			
Number of Firms	22,245	8,751	-60.7
Employment	12,446	-	-
Sales (\$000)	1,509,189	-	-
Accommodation, Food Services			
Number of Firms	7,931	20,650	160.4
Employment	5,787	68,765	1088.3
Sales (\$000)	715,536	3,698,621	416.9
Other Services			
Number of Firms	37,209	152,105	308.8
Employment	20,627	13,992	-32.2
Sales (\$000)	2,513,393	2,862,074	13.9
Industries Not Classified			
Number of Firms	45,899	535	-98.8
Employment	9,072	1,015	-88.8
Sales (\$000)	1,813,911	202,939	-88.8

Ownership refers to majority (51% or more) ownership.

Source: Center for Women's Business Research using U.S. Census Bureau data.



METHODS & LIMITATIONS

The Center for Women's Business Research's projections for women-owned firms in 2006 are based on data from the U.S. Census Bureau's Economic Census from the years 1997 and 2002, the latter of which was made available in 2006.

Equally-Owned Firms

The data on equally women- and men-owned firms (equally-owned firms) were collected differently by the Census in 1997 than in 2002, which seems to have caused firms that had been classified as equally-owned in 1997 to become classified as either women- or men-owned in 2002. Since the data were collected differently, it is unclear whether the decline in equally-owned firms reflects an actual trend, or if firms had been categorized differently from one point to the next. Because of this ambiguity, the Center assumed no change in the category, using 2002 numbers for equally-owned firms as a proxy for 2006 projections.

Projecting by Industry

Fine-tuning the methodology in 2006 to coincide with significant changes in industry classification, the Center projected numbers separately for each industry. In 1997, the Census reported industry data on women-owned firms using Standard Industrial Classification (SIC) codes. In 2002, the Census changed its format to the North American Industry Classification System (NAICS). There was a widespread redistribution of industries from one system to the next so, before projections could be made, it was necessary to redistribute firms in the 1997 Economic Census into NAICS. This was done by dividing each two-digit SIC code according to its distribution of corresponding six-digit NAICS codes. For example, if there were three NAICS codes for "construction" and two NAICS codes for "administrative services" within the SIC code for "construction," 60 percent of the 1997 SIC "construction" firms would continue to be identified as NAICS "construction" firms, but 40 percent would be identified as NAICS "administrative services" firms. A major assumption in this method is that firms that correspond to each SIC code are distributed equally among the NAICS codes. The amount of error due to this assumption is unknown, but it is a limitation in the methodology.

Imputing Missing Data

There were a number of instances of missing data in the Economic Census reports. Where a range was given, the midpoint of the range was used in projections. Otherwise, data were imputed by applying the industry distribution of firms, sales, employees, or employer firms of all races to the segment that was unaccounted for in the race total. If the sum of the known industries was greater than the published total for the race, the minimum value of one was imputed.

Industries Not Classified

There was a drop in the number of firms in "industries not classified" from 1997 to 2002, which was a category that could not be redistributed from SIC to NAICS using the method described above. Theoretically, a considerable number of the missing firms from 1997 were classified into NAICS industries in 2002, meaning that the drop in industry-unclassified firms was not an actual loss of firms. This presented a difficulty in establishing a growth rate for industries not classified. The 2006 projections were made by identifying the percent growth for all industry-classified firms from 2002 to 2006, and applying the same percentage growth to industries not classified.

Adjustment for Inflation

All dollars were adjusted for inflation so that all dollar values reflect the USD value as of May 2006. This made a considerable change to the sales published for 1997. Inflation was not taken into account in previous updates to the Center's Census projections.

Methodology

After redistributing 1997 firms, employees, employer firms, and sales into NAICS-based industries as described above, linear projections were made for each industry using 1997 and 2002 data points to establish growth rates (slope) and extend the growth to 2006. If the 2006 point was negative, the projection was determined to be 0. The overall number, employees, employer firms, and sales of the firms were determined by the sum of the industry projections. The overall number of firms, employees, employer firms, and sales of 50% or more women-owned firms were determined by the sum of the projections for 51% or more women owned firms, and the data for

equally-owned firms in 2002. This method assumes that growth among women-owned firms was linear from 1997 to 2002, and through 2006. The error due to this assumption is unknown, and it is a limitation in the methodology.

Racial/Ethnic Categories

For 2002, the Census Bureau made Hispanic/Latino origin a separate category and firms were identified as either Hispanic or non-Hispanic, independent of race. The racial categories were White, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander. In 1997 the Asian and Pacific Islander categories were combined, but Census later released separate 1997 data for each category. In 1997 Census published overall "Minority" numbers which the Center used to establish overall minority projections, but these numbers were not published in 2002. Consequently, overall minority estimates are simply the sum of all racial/ethnic minority categories. Given that firms are known to be classified in multiple categories, the overall minority projections are artificially high. Data are taken primarily from *Company Summary 1997* and *Company Summary 2002*.

